



CIRCULAR REF: MSMI 2011/007

**CIRCULATED TO ALL MEMBERS, BROKERS AND DIRECTORS
ATTENTION INSURANCE DEPARTMENT**

**7 APRIL 2011
AAW/PAJ/JI**

**CESSATION OF UNDERWRITING AND SALE OF MSMI (IN RUN OFF) TO NORTH OF ENGLAND
PROTECTING & INDEMNITY ASSOCIATION LIMITED**

An Extraordinary General Meeting of the Company took place on 6 April, 2011, and an Ordinary Resolution was passed, which approved the sale of the Company (in run off) to North of England Protecting & Indemnity Association Limited (North) subject to the Company and North entering into a legally binding agreement in respect of the sale. The Resolution was approved by an overwhelming majority of Members present at the Meeting.

As previously advised in Circular No MSMI/2011/005 dated 21 March 2011, the Board will now seek to agree the terms of a legally binding sale and purchase agreement (including the agreed basis of valuing the Net Asset Value of the Company) with North, in order to effect the sale of MSMI (in run off) to North on the basis of North's offer.

The Board will also seek advice from its solicitors, Norton Rose, with regard to the overall legal structure of the transaction and the Board, together with its advisors, will consider the most appropriate method to achieve a timely and equitable distribution of the proceeds of sale.

As previously advised Members should note that it may be necessary to take further action in order to complete the proposed transaction and in particular to approve amendments to the existing Articles of Association of MSMI.

It is anticipated that a further General Meeting will take place at the end of May, 2011, and in this event appropriate documentation will be sent to Members accordingly.

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Registered No. 1065393 London. Registered office above.
Regulated in the UK by the Financial Services Authority

The Board will keep Members advised of any further actions required as matters progress.

AA WILSON & PAUL JENNINGS

JOINT MANAGING DIRECTORS - North Insurance Management Limited

As Managers on behalf of the Marine Shipping Mutual Insurance Company Limited